

Assembly Bill No. 410

Passed the Assembly September 10, 2013

Chief Clerk of the Assembly

Passed the Senate September 9, 2013

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2013, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 22760 of, and to add Section 22838 to, the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 410, Jones-Sawyer. Public employee health benefits: enrollment.

Existing law requires the Board of Administration of the Public Employees' Retirement System (PERS) to administer the Public Employees' Medical and Hospital Care Act (PEMHCA). PEMHCA further grants the board the power to approve health benefit plans and contract with carriers offering health benefit plans. Under PEMHCA, an employee or annuitant may enroll in a health benefit plan approved or maintained by the board either as an individual or for self and family. Existing law defines annuitant for purposes of receiving postretirement health benefits pursuant to PEMHCA and generally requires that a person retire within 120 days of separation from public employment, with specified exceptions.

This bill would permit an annuitant who reinstates from retirement under PERS for employment by the state or a contracting agency and who subsequently retires again on or after January 1, 2014, to enroll in a health benefit plan under PEMHCA for which he or she is eligible, as specified, as an annuitant of the employer from which he or she first retired, upon meeting certain conditions. In this regard, the bill would require that the person's subsequent retirement occur within 120 days after separation of employment, as specified, and that the person not be eligible for a postretirement health benefit contribution from the employer from which he or she subsequently retires or that the postretirement health benefit contribution payable by that employer be less than the contribution payable by that employer during his or her prior retirement.

The people of the State of California do enact as follows:

SECTION 1. Section 22760 of the Government Code is amended to read:

22760. "Annuitant" means:

(a) A person, other than a National Guard member defined in Section 20380.5, who has retired within 120 days of separation from employment and who receives a retirement allowance under any state or University of California retirement system to which the state was a contributing party.

(b) A surviving family member receiving an allowance in place of an annuitant who has retired as provided in subdivision (a), or as the survivor of a deceased employee under Section 21541, 21546, 21547, or 21547.7, or similar provisions of any other state retirement system.

(c) A person who has retired within 120 days of separation from employment with a contracting agency as defined in Section 22768 or, if applicable, consistent with the provisions of subdivision (b) of Section 22893, and who receives a retirement allowance from the retirement system provided by that employer, or a surviving family member who receives the retirement allowance in place of the deceased.

(d) A judge who receives the benefits provided by subdivision (e) of Section 75522.

(e) A person who was a state member for 30 years or more and who, at the time of retirement, was a local member employed by a contracting agency.

(f) A Member of the Legislature or an elective officer of the state whose office is provided by the California Constitution, who has at least eight years of credited service, and who meets the following conditions:

(1) Permanently separates from state service on or after January 1, 1988, and not more than 10 years before or 10 years after his or her minimum age for service retirement, or is an inactive member of the Legislators' Retirement System pursuant to Section 9355.2.

(2) Receives a retirement allowance under a state retirement system supported in whole or in part by state funds other than the University of California Retirement System.

(g) An exempt employee who meets all of the following conditions:

(1) Has at least 10 years of credited state service that includes at least two years of credited service while an exempt employee.

(2) Permanently separates from state service on or after January 1, 1988, and not more than 10 years before or 10 years after his or her minimum age for service retirement.

(3) Receives a retirement allowance under a state retirement system supported in whole or in part by state funds other than the University of California Retirement System.

(h) A person receiving a survivor allowance pursuant to Article 3 (commencing with Section 21570) of Chapter 14 of Part 3 provided that he or she was eligible to enroll in a health benefit plan on the date of the member's death, on whose account the survivor allowance is payable.

(i) (1) A family member of a deceased retired member of the State Teachers' Retirement Plan, if the deceased member meets the following conditions:

(A) Retired within 120 days of separation from employment.

(B) Retired before the member's school employer elected to contract for health benefit coverage under this part.

(C) Prior to his or her death, received a retirement allowance that did not provide for a survivor allowance to family members.

(2) The family member shall elect coverage as an annuitant within one calendar year from the date that the deceased member's school employer elected to contract for health benefit coverage under this part.

SEC. 2. Section 22838 is added to the Government Code, to read:

22838. (a) An annuitant who reinstates from retirement pursuant to Article 7 (commencing with Section 21190) of Chapter 12 of Part 3 may, upon his or her subsequent retirement, elect to enroll in a health benefit plan approved or maintained by the board as an annuitant of the employer from which he or she was eligible to receive a postretirement health benefit contribution payable by that employer during his or her prior retirement, if both of the following apply:

(1) The subsequent retirement of that person occurs within 120 days after separation from employment or, if applicable, consistent with the provisions of subdivision (b) of Section 22893.

(2) That person is not eligible for a postretirement health benefit contribution from the employer from which he or she subsequently retires or the postretirement health benefit contribution payable

by that employer is less than the contribution payable by that employer during his or her prior retirement.

(b) The postretirement health benefit contribution payable by an employer under this section shall be in lieu of a contribution payable to the annuitant by any other employer under this part.

(c) For purposes of calculating the employer postretirement health benefit contribution, the credited service of a person who enrolls as an annuitant pursuant to this section shall not include service performed for any other employer during his or her reinstatement from retirement.

(d) This section shall apply irrespective of whether the person receives health care coverage under this part during his or her reinstatement from retirement.

(e) An annuitant who is eligible to enroll pursuant to this section may enroll within 60 days after his or her subsequent retirement or during a future open enrollment period, as provided by regulation of the board, without discrimination as to premium rates or benefits coverage.

(f) This section shall only apply to an annuitant who, after reinstatement, subsequently retires on or after January 1, 2014.

Approved _____, 2013

Governor